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Holy Income Tax Day, Batman!

One in three spend tax refunds on a new car or repairs



Good news! With Income Tax Day right around the corner, eBay Motors and Harris Interactive, have released the findings of a new survey indicating that 34 percent of tax payers expecting a refund will be using it to address transportation needs, either repairing an old car or buying a new one.

eBay found that of the one-third of tax payers in the survey planned to use their rebate for transportation needs, 49 percent said they would be putting tax refund money toward car maintenance, 32 percent would spend it on repairs, 21 percent said they'd buy a new or used vehicle, and 14 percent said the money would be going toward car cleaning and detailing. The percent total doesn't sum to 100 because some responders chose multiple categories.

2012 legislative sessions in Maryland and Virginia each end leaving jurisdictions in fiscal limbo

VA legislators working through Special Session that reconvenes next week; Gov. O'Malley poised to call MD legislators to Special Session imminently

The *long* session for the 2012 Virginia General Assembly, which concluded March 10, has been in Special Session ever since, working to sort out budget differences between the House

and Senate, Democrats and Republicans. A sticking point, which may or may not get resolved, is the question of light rail funding to Dulles Airport. The Conference Committee between Senate and House includes \$150 million in state funding for Dulles, and that much again or more committed from affected Northern Virginia localities, including Fairfax and maybe Loudoun.

The Virginia Special Session, which has been recessed, returns next Tuesday, April 17, to see if the budget can be concluded, spanning two years with \$85 billion of funding.

In Maryland, the future of the state's budget remains unclear days after the regular legislative session concluded this week in Annapolis. As with Virginia, Marylanders failed to pass a revenue plan before members adjourned the regular session Monday night, leaving the state and local governments to confront hundreds of millions of dollars in shortfalls that will require deep cuts in government spending.

The impasses in Maryland arose over disagreement between the House and the Senate on how to reach revenue goals that might offset those cuts. The House only wanted to raise taxes on higher-income people, whereas the Senate wanted everybody to contribute. But the really big issue was gambling, and whether to authorize new casinos in Prince George's County.

Also falling victim to the legislators' impasse was Gov. O'Malley's effort to rebuild Maryland's Transportation Trust Fund, which went nowhere when the legislature rejected an increase in gasoline taxes to pay for it.

If a budget compromise in Maryland isn't worked out before the fiscal year begins July 1, the \$500 million in spending cuts needed to balance the state budget will fall very heavily on K-12 education and push up state college tuition by 10 percent or more.

O'Malley is expected to announce shortly whether he is calling the legislature back into Special Session, which if he does will likely play out in May. Maryland dealers who sidestepped industry-specific tax increases during the regular session will have to gear up again for any Special Session that comes about.

Stay tuned.

New study confirms long standing truth: Auto sales drive the U.S. economy

A new report from the Center for Automotive Research in Ann Arbor, MI finds that new vehicle sales and service account for more than \$735 billion in federal and state revenue in the U.S.



"This study confirms that the U.S. automotive sector has a huge economic impact throughout the country. In 18 states, autos generate 15-23 percent of state tax revenues," said Mitch Bainwol, president & CEO of the Alliance of Automobile Manufacturers. "Cars are a massive economic driver, from their production and sales to their use and maintenance."

Among the report's key findings are these:

- In 2010, the auto industry generated at least \$43 billion in federal tax revenue, including \$14 billion in income taxes and \$29 billion from federal motor fuel taxes. (Property taxes not included.)
- The auto industry also generated more than \$91.5 billion in state government revenue in 2010, or 13 percent of total state tax revenue on average. Of the total state tax revenue, \$60 billion is produced from use taxes and fees (fuel taxes, license and registration fees).
- \$30 billion of state tax revenue is generated from sales and service of vehicles.
- \$860 million comes from state income taxes on direct employment by automakers, suppliers and dealers.
- \$750 million is generated by state business taxes (corporate income taxes, licensing fees).

Revenues from U.S. car sales *alone* totaled over \$564 billion in 2010, an increase of 17 percent from the previous year. The manufacturers' parts providers, along with repairs and service, account for another \$173 billion in economic activity. So, automobiles drive more than \$735 billion into the economy each year, or about 5% of total U.S. GNP.

"Eight million Americans are employed directly and indirectly as a result of the manufacture, sale and repair of automobiles. Those 8 million people earn \$500 *billion* in compensation. These are American families living all over this country. In many communities, they form the backbone of local and even state economies. And as jobs are added, these numbers will climb. So auto policy is central to the economic vitality of virtually every state," said Bainwol.

And, Bainwol might have added, "that's why the government rescue of the auto industry was essential!"

Reminder -- NLRB Posting required by April 30

Beginning on April 30, 2012, two weeks from now, most private sector employers—including dealerships—will be required to post an 11 × 17" poster notifying employees of their rights under the National Labor Relations Act. This requirement inspired by the Obama administration at the behest of Big Labor was originally scheduled to go into effect in 2011, and was delayed until the end of April. The notice must be posted in a conspicuous place with the other notifications of workplace rights.

The poster can be downloaded from the NLRB website and printed on two 8½×11" pieces of paper and taped together. An 11×17" version is also available for those with a large-format printer.

The posters can be downloaded at this site <http://www.nlr.gov/poster>

MD employers no longer may demand employee social media passwords

U.S. Court of Appeals upholds civil servants' right to check social media while at work



Employers in Maryland likely won't be able to ask for employees' passwords to Facebook, Twitter or any other social media account going forward. This results from legislation that was passed unanimously by the state Senate and by a wide margin in the House during the recently concluded Maryland General Assembly.

The move to ban the practice came after Maryland's corrections department asked a job applicant to provide his Facebook password. The applicant refused and sued the state when he was refused employment.

Gov. O'Malley is expected to sign the measure, which would make Maryland the first state to pass such a law.

This Maryland development comes just days after Chief Judge Alex Kozinski of the U.S. Court of Appeals for the Ninth Circuit, ruled in a related case that checking Facebook on a work computer is not a dismissible offense for civil servants.

NADA Needs Your Help: Take Part in *Dealership Workforce Study*

NADA is starting the data collection process for the annual *Dealership Workforce Study*, formerly known as the NADA Compensation Survey.

The improved study is easy to fill out online, and the process of providing payroll data will be easier than ever. Participating in this study, free of charge, also includes a helpful benefit—all participants will receive individualized comparison and summary reports with the results.

Dealer participants will also have the option of purchasing an enhanced dealer report upgrade with additional franchise-specific and market data for a nominal fee.

The more people who participate, the more helpful the result, NADA asserts. Data collection will include retention, tenure, turnover, health and retirement benefits, and hours of operation, in addition to compensation.

Visit www.NADAWorkforceStudy.com to sign up. For questions contact NADA at 800.557.6232 or Andrea Johnson at 515.440.7628.

DEALERSHIPWORKFORCESTUDY

NHTSA calls for brake override as standard equipment

The National Highway Traffic Safety Administration (NHTSA) proposed this week that cars and light trucks sold in the U.S. have brake override features to stop a vehicle when drivers press both the brake and accelerator.

“America’s drivers should feel confident that any time they get behind the wheel they can easily maintain control of their vehicles -- especially in the event of an emergency,” U.S. Transportation Secretary Ray LaHood said in a statement. “By updating our safety standards, we’re helping give drivers peace of mind that their brakes will work even if the gas pedal is stuck down while the driver is trying to brake.”

The rule, which would update an existing auto-safety regulation, would cost “close to zero” because most carmakers already meet the requirement, LaHood said.

NHTSA said it is proposing the rule after receiving “thousands” of complaints about unintended acceleration since 2000, with some involving stuck accelerator pedals that brake override technology used in vehicles with electronic throttle controls would be designed to counter.

Toyota, which has been at the center of the unintended acceleration issue, began installing brake override systems on all new models beginning in 2011 and has retrofitted seven existing models with software fixes.

As noted by DOT Secretary LaHood, most, if not all, automakers already have such systems installed on their vehicles.

WANADA Open set for May 16 at Lansdowne Resort

New golf skills and tennis competition added for annual event

The association’s annual golf tournament (WANADA Open) is returning this year to the beautiful Lansdowne Resort in Leesburg, VA, Wednesday, May 16. Please join us for an action-packed day of camaraderie and competition.

If you don’t play golf, plan to be on hand for cocktails and dinner that evening, or come to play tennis, or spend a few hours at the spa. And if past is prologue, the networking at the WANADA Open is second to none!



New this year are three golf skill challenges administered by Albatross Golf Events:

- The Lob Wall – Tests to see who can elevate the ball high enough to clear the wall
- Glass Blast – measures ball trajectory to see who can break a pane of glass from 20 yards away, and
- The Money Putt – Pays \$2,500 to whoever can sink a fifty foot putt with one try.

For tennis players, the Open Committee this year has arranged for a one-hour clinic with Lansdowne's tennis professional and day-long open play. Registration for the clinic, locker room facilities, lunch, cocktails and dinner is \$125. Golf registration is \$250 per golfer. Cocktails and dinner only is \$100.

The number of golfers for The WANADA Open is limited to 124 players on one course, so all are encouraged to register *early*. To book your foursome or tennis clinic, click [here](#) to download a registration form which can be sent in via fax to (202) 237-9090, or email Kristina Henry at kh@wanada.org.

Schedule of events

9:00 AM	Tournament registration and driving range warm-up
10:45 – 12:00 noon	Lunch on the patio
12:30 PM	“Shotgun” start
1:00 PM	Tennis clinic
5:30 PM	Cocktail Reception
6:30 PM	Awards Dinner

For more information, call Kristina Henry 202-237-7200, ext. 18 or kh@wanada.org

Yes, today is Friday the 13th, a day known for bad luck

In 2012, there are *three* Fridays that fall on the 13th, the most possible in any year – besides April (today) there was one in January and the next will be in July. The last time there was a year with three Fridays the 13th was *The Great Recession* of 2009 (Not that that had anything to do with the setback in the global economy, of course). The next year with three Fridays the 13th will be 2015...

Arguably, April 15 has worse karma than Friday the 13th:

Abraham Lincoln died the morning of April 15, 1865; the Titanic sank the morning of April 15, 1912, where 1,516 passengers either froze to death or drowned. And, of course, April 15 is Income Tax Day – curiously, since Friday the 13th is in April this year, April 15 falls on Sunday, so late tax form filers get a two day reprieve until April 17.

Thought for the week ...

I do the very best I know how; the very best I can; and I mean to keep on doing so until the end.

--A. Lincoln
Shot April 14,
Died April 15, 1865